

February 25, 2002

UTILIZATION MANAGEMENT

1. PURPOSE: This Veterans Health Administration (VHA) Directive establishes interim guidance regarding the Veterans Integrated Service Network (VISN)-wide Utilization Management (UM) Programs for veterans health care services as originally authorized under VHA Directive 96-048.

2. BACKGROUND

a. The major focus of VHA Directive 96-048 was inpatient utilization management due to the major contribution of acute hospital costs to overall health care expenditures. Since 1996, VHA services have shifted from inpatient to ambulatory and other care settings, and issues of business practices have received increased emphasis, including compliance with Federal and private sector requirements. This shift necessitates VHA's UM Program to now focus on the full continuum of clinical services.

b. It is anticipated that the new VHA-wide UM policy will include the following elements:

(1) Standardized approach (to include education and training to ensure inter-rater reliability of utilization reviewers).

(2) Local implementation with VISN and Department of Veterans Affairs (VA) Central Office oversight and monitoring.

(3) National internal and external benchmarks.

(4) Identification and dissemination of UM best practices.

(5) Quality enhancement using good business practices.

(6) Compliance with all applicable VA and Federal policies and regulations.

(7) Applicable to all VHA health care services (regardless of VA financial relationship with the provider; e.g., employee, academic affiliate or contractual, or delivery site; e.g., VA or non-VA).

(8) Standardized definitions as levels of care and UM terms.

(9) Linkages to other VHA policies and activities (e.g., those of the Compliance Revenue Office, etc.).

(10) A plan to systematically monitor and evaluate the appropriateness and effectiveness of service programs, operations and aspects of patient care (including documentation) with an established criteria and/or designated outcomes; i.e., the "right care at the right time in the right place at the right cost."

THIS VHA DIRECTIVE EXPIRES FEBRUARY 28, 2007

VHA DIRECTIVE 2002-012
February 25, 2002

3. POLICY: It is VHA policy that the VISN-wide UM Program continues as is until a new VHA-wide UM policy is developed and implemented.

4. ACTION

a. The Under Secretary for Health is responsible for appointing a National VHA UM Committee to develop a comprehensive VHA-wide UM Program and policy that will include ongoing oversight of VHA's UM Program, a crucial requirement is information support to generate standardized National data for committee review. The UM Committee is to be multi-disciplinary and include field, VISN and VA Central Office representation.

b. VA Central Office will continue to monitor the process measures of Length of Stay (LOS), Bed Days of Care (BDOC), and readmission rates until the new VHA-wide UM Program is implemented.

c. Network Directors are responsible for ensuring that facilities continue to comply with their VISN-wide UM policy.

(1) All utilization review (UR) in support of the Revenue Office will continue.

(2) The level of inpatient UR required by VISNs will be based on the ongoing monitoring of BDOCs, LOS, and readmission rates.

(a) If FY 2002 levels on these monitors are maintained or improved, then current UR policies and practices to continue until the new UM policy is implemented.

(b) In the event maintenance or improvement on these monitors is not sustained, then VISNs must institute additional UR procedures, as needed, to address the situation; e.g., increase the percentage of pre-admission reviews.

5. FOLLOW-UP RESPONSIBILITY: The Office of Quality and Performance (10Q) is responsible for the contents of this Directive. Questions regarding this Directive may be directed to the Chief Quality and Performance Officer at 202-273-8936.

6. REFERENCES: Title 38 United States Code (U.S.C) 5705.

7. RESCISSION: VHA Directive 96-048 is rescinded. This VHA Directive expires February 28, 2007.

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